



**DEPARTMENT OF  
HEALTH**  
AND HOSPITALS

# Modernizing Louisiana's Medicaid Dental Program

Two Strategies for Reform

Bruce D. Greenstein, Secretary



# Today's Discussion



- A New Era of Health Care Delivery
- Dental Services Today
- A Comprehensive Approach to Reform
- Health Plans as Partners
- Next Steps
- Dental Discussion



# New Era of Health Care Delivery



Fully Launched June 1 Statewide



***State maintains strong contractual oversight of health plans and their subcontractors.***



***Business Partners  
to Improve Care***



# Bayou Health: Two Models to Improve Care



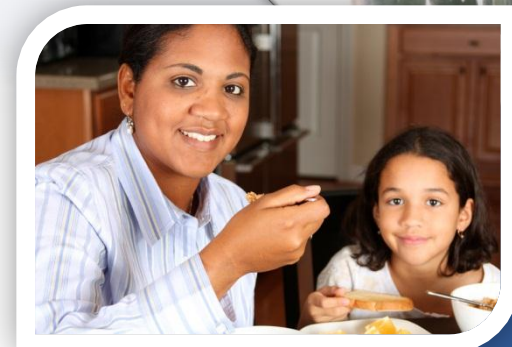
	<b>Prepaid Health Plans</b>	<b>Shared Savings Health Plans</b>
<b>Network Providers</b>	<b>PCPs, Specialist, Hospitals, and others</b>	<b>PCPs only</b>
<b>Payment</b>	<b>Fully capitated monthly PMPM – Plan pays claims</b>	<b>Monthly management fee – State pays claims</b>
<b>Network Access</b>	<b>Must guarantee access to ALL providers in network</b>	<b>Must guarantee access to PCP providers only</b>
<b>Referral policies</b>	<b>Yes</b>	<b>Yes</b>
<b>Disease Management &amp; Wellness Prgms</b>	<b>Yes</b>	<b>Yes</b>
<b>Extra Benefits Offered</b>	<b>Yes</b>	<b>No</b>





# Bayou Health: Making Medicaid Better

- Better quality and improved health outcomes
  - More focus on **prevention**
  - Better coordination of care (specialists, hospital discharge)
  - Interventions to **actively manage** chronic illnesses
  - Comprehensive patient-centered medical home (PCMH)
- Increased access
  - Enforceable time and distance requirements
  - Rates can be negotiated with specialists
  - Prepaid plans can contract with providers not willing to enroll in LA Medicaid
- Allows additional benefits for enrollees
  - Expanded benefits (Prepaid only)
  - Incentives for compliance with care recommendations and healthy behaviors



# Who is currently enrolled?



- **Mandatory enrollees (~830,000)**
  - Families & Children
    - Medicaid children; CHIP children (<200%FPL); Parents < 11% FPL; Pregnant Women
  - Aged, Blind and Disabled
    - Over age 65, or over 19 and blind or disabled
- **Voluntary enrollees – May opt out (~44,000)**
  - Children under age 19 receiving SSI
  - Foster Children and children in out of home placement
  - Native Tribal Americans
- **Excluded Enrollees**
  - Medicare dual eligibles
  - Chisholm class members
  - Persons in nursing and DD facilities
  - HCBS waiver recipients, regardless of age/waiver
  - Persons receiving hospice services



# Bayou Health “Carve Outs”



*Carve outs continue to be fee-for-service (except specialized behavioral health)*

- Pharmacy
  - Dental
- } *Carve-in in Process*
- Specialized Behavioral Health
  - All Hospice
  - Targeted Case Management
  - Personal Care Services (EPSDT and LTC)
  - All Nursing Facility Services
  - Individual Education Plan Services Billed Through School Districts

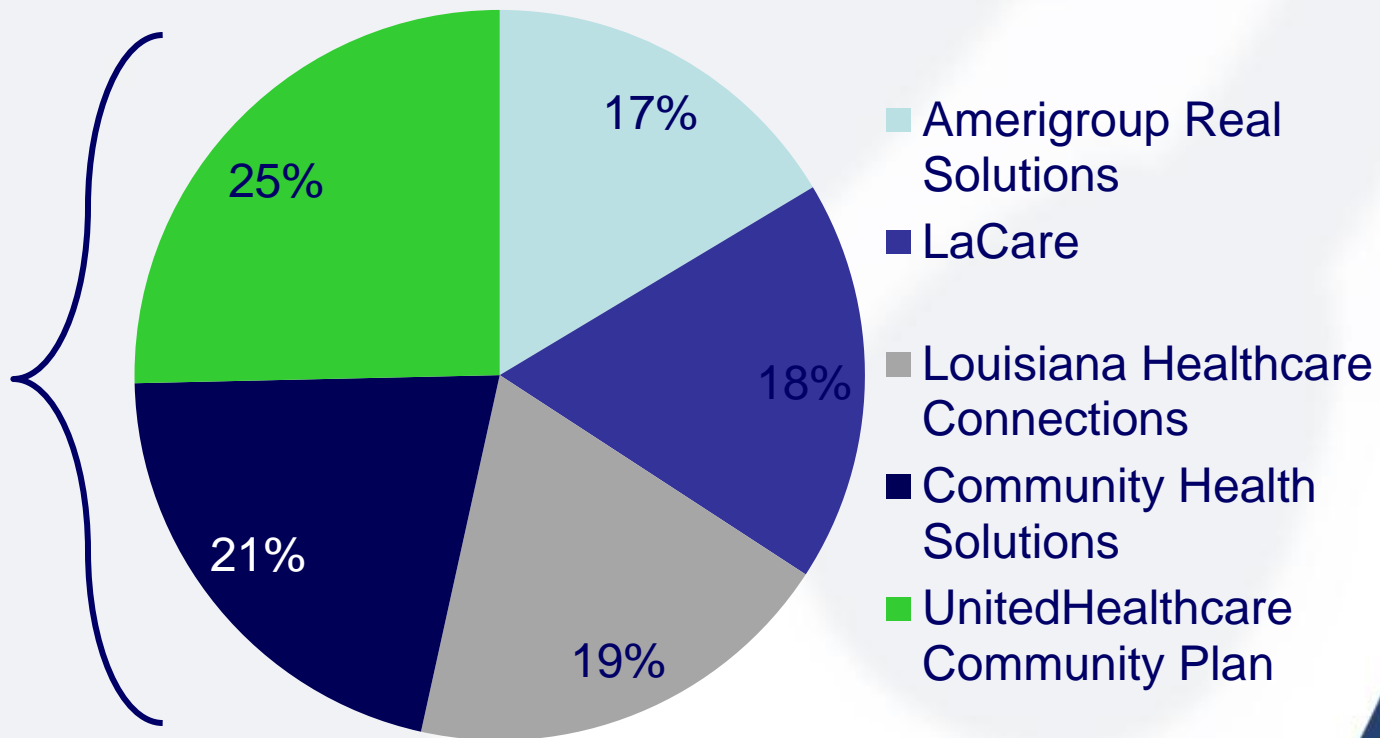


# Bayou Health Enrollment



## Current Health Plan Enrollment (as of 6/8/2012)

46% of  
Bayou Health  
enrollees are  
covered by a  
Shared  
Savings Plan

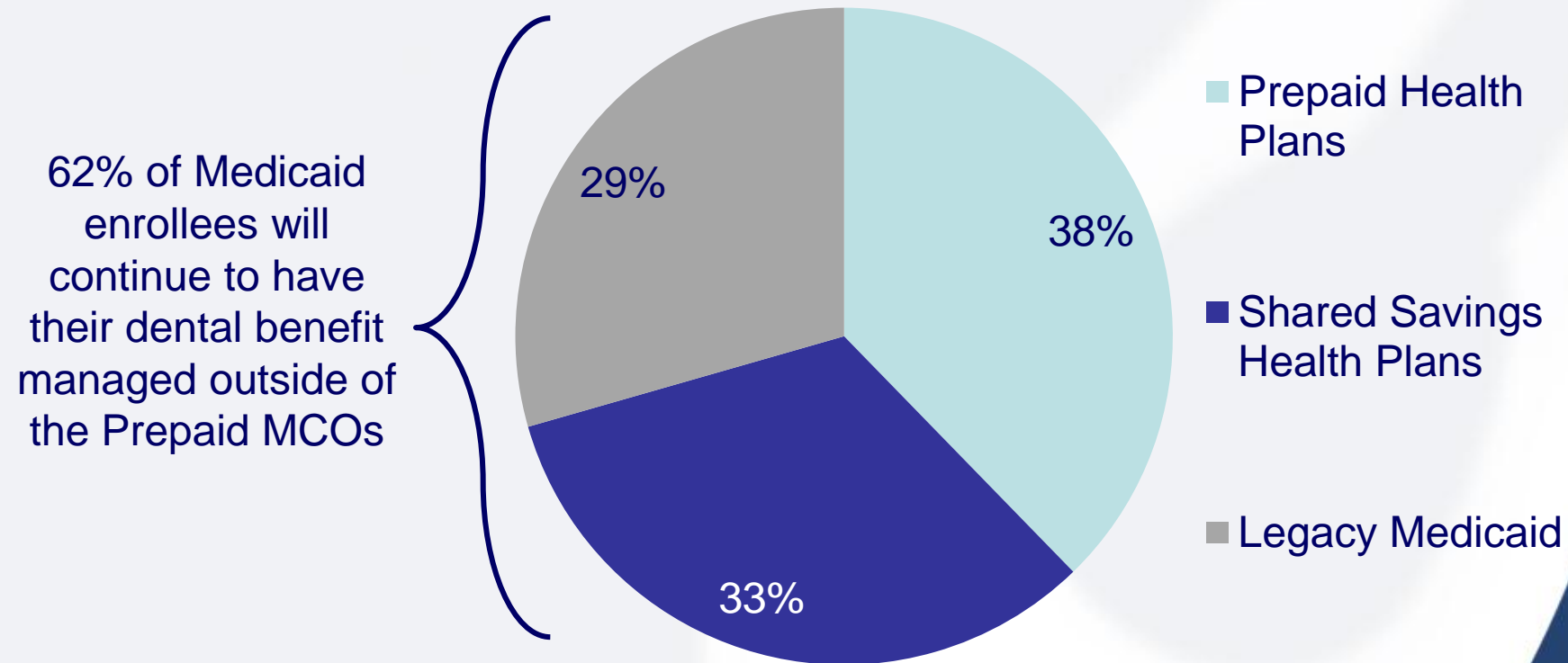




# Medicaid Enrollment



## Current Medicaid Enrollment – 1.24 million



# Dental Program Today

- **Total FY 2012 Spend:**
  - \$153.9 million; ~3.05 million claims
- **Participating Providers:**
  - 1,083 eligible, 938 active
- **Coverage for three populations:**
  - ESPDT Children under age 21 (685,044)
  - Pregnant women (56,562)
  - Adult Dentures (544,055)
- **Of eligible ESPDT children, 48.6% received some type of dental services in 2011.**



# Comprehensive Approach to Reform

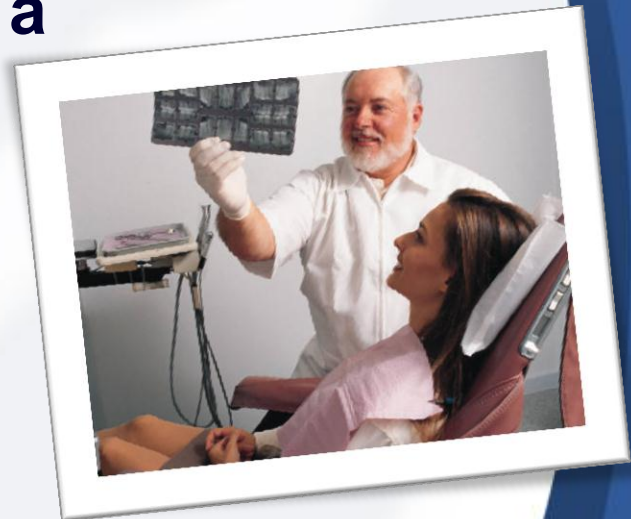


- **Two distinct strategies for modernization:**
  - Promote whole patient management by allowing prepaid Bayou Health Plans to manage dental benefit
  - Competitively procure a Dental Benefit Plan (DBP) for recipients outside of prepaid Health Plans.
- **Both strategies will:**
  - Improve access and outcomes through appropriate care and network management
  - Respect role of significant traditional providers
  - Ensure strong patient protections



# Why Managed Care?

- **DHH anticipates that carving dental into the prepaid plan and procuring a DBP will achieve:**
  - Approved coordination of care
  - Better dental health outcomes
  - Improved access to specialty services
  - A reduction in avoidable hospitalizations and ER visits
  - A decrease in waste, fraud and abuse
  - Greater accountability for taxpayer dollars
  - Increased financial sustainability
  - Net savings to the state



# Role of the Health Plan

- **Responsibilities include, but aren't limited to:**

- Care management
- Quality management and compliance
- Prior authorization of services
- Network management
- Member and Provider services
- Fraud and abuse monitoring and compliance
- Maintaining a significant local presence, with key staff members in state





# Bayou Health Protections

## Will apply to both existing Health Plans and Dental Benefit Plan:

- Network adequacy requirements (time, distance and enrollment ratios)
- Requirements to make good faith effort to contract with significant traditional providers from legacy Medicaid (top 80% by claims volume)
- Medicaid fee schedule as floor
- Prompt pay standards for clean claims
- Medical loss ratio (85% in Bayou Health)
- Outcomes and performance reporting
- Financial transparency and reporting requirements
- Transition of care requirements
- Standards for timely submission of encounter data



# Rigorous Accountability



- Prepaid Plans and DBP: Up to 2.5% of monthly PMPM can be withheld if quality benchmarks are not reached
- For prepaid plans, once quality measures are available, preference given in auto assignment to best performers
- Hefty financial sanctions for failure to perform satisfactorily, including things like:
  - Failure to maintain an adequate network
  - Failure to submit complete and accurate encounter data
  - Failure to promptly pay claims
  - Failure to provide medically necessary items and services
  - Unreasonable telephone hold time



# Next Steps

- **August:**
  - Continued stakeholder dialogue
  - Publish emergency rules for carve-in and DBP
  - Issue RFP for DBP
  - Develop actuarial rates for health plans
  - Amend Prepaid Health Plan contracts
- **September:**
  - Continued stakeholder dialogue
  - Submit Plans to CMS
  - Notify recipients in prepaid plans of change
  - Award DBP RFP
  - Inform and educate providers of change
  - Conduct system programming changes and testing
- **October:**
  - Go-live for prepaid Health Plan carve-in (October 1)
  - Notify remaining Medicaid recipients of change to DBP
- **November:**
  - Go-live for DBP (November 1)





# Dental Discussion



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Email [BayouHealth@LA.gov](mailto:BayouHealth@LA.gov) with  
future questions and comments

